

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: OMB/Insurance & Benefits

AGENDA DATE: October 18, 2005

CONTACT PERSON/PHONE: David Almonte

DISTRICT(S) AFFECTED: All

SUBJECT:

Approve a resolution the City create and adopt a 401(a) plan, that the City Manager be authorized to sign the Plan Documents and that any contractual obligation the City has to make certain contributions to a tax deferred compensation plan other than a 401(a) Plan may be made to this newly created plan under certain provisions.

BACKGROUND / DISCUSSION:

The City of El Paso does not currently sponsor a 401(a) deferred compensation plan. The 401(a) plan is a retirement plan that allows employer contributions for the benefit of its employees. The amount contributed on behalf of eligible employees is established by contract. This type of deferred compensation plan will help the City remain competitive in recruitment of qualified individuals. This 401(a) Plan will be administered by ING. A tax attorney developed the plan. There are no citizen concerns or department concerns.

PRIOR COUNCIL ACTION:

The Council has not previously considered this item

AMOUNT AND SOURCE OF FUNDING:

The City's costs are subject to contractual agreements with eligible employees. Any contractual amounts have already been budgeted. This item does not require a budget transfer.

BOARD / COMMISSION ACTION:

N/A

*******REQUIRED AUTHORIZATION*******

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

CITY CLERK DEPT.
05 OCT 14 PM 12:54

RESOLUTION

WHEREAS, pursuant to Section 401(a) of the Internal Revenue Code, as amended, employers may create a tax deferred compensation plan whereby the employer may make tax deferred contributions to the deferred compensation plan for the benefit of its employees (a "**401(a) Plan**");

WHEREAS, the City of El Paso (the "**City**") has not previously created a 401(a) Plan;

WHEREAS, the City acknowledges the benefit of a 401(a) Plan in the recruitment of qualified individuals, in remaining a competitive employer in the market place, and in providing a retirement vehicle for eligible employees; and

WHEREAS, the City desires to create a 401(a) Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. **THAT** the City hereby creates a 401(a) Plan and adopts that certain City of El Paso Profit Sharing Plan and Trust, the First Amendment to the Plan, and the Second Amendment to the Plan entered into by and between the City and ING National Trust (collectively, the "**Plan Documents**"), attached hereto, which are effective as of September 1, 2005;

2. **THAT** the City Manager be authorized to sign the Plan Documents; and

3. **THAT** any contractual obligation the City has to make certain contributions to a tax deferred compensation plan for the benefit of an employee, other than to a 401(a) Plan (e.g. the City's 457(b) Plan), may be made to the 401(a) Plan; provided that said employee makes such request in writing to the City that said contributions be made into the 401(a) Plan, and agrees that the action of the City in honoring that request connotes an amendment to the contract.

ADOPTED this _____ day of _____, 2005.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:

David Almonte, Director
Office of Management and Budget